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LISTING STATEMENT NO. 2565

LISTED AUGUST 1, 1972.

240,000 8% cumulative redeemable First Preference shares with a par value of \$5 each.

Stock Symbol SNI Pr A

Post Section 11

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

SONOR INVESTMENTS LIMITED

a company continued under The Business Corporations Act (Ontario)
by Articles of Amalgamation effective January 28, 1972.

CAPITALIZATION AS AT JUNE 30, 1972

INDEBTEDNESS

	<u>Authorized</u>	<u>Outstanding</u>	<u>To be Listed</u>
Demand debenture (1)	\$1,300,000	\$1,300,000	—

SHARE CAPITAL (3)

8% cumulative redeemable First Preference shares with a par value of \$5 each	240,000 shares	240,000 shares	240,000 shares
Common shares without par value (2)	4,000,000 shares	2,232,360 shares	—

- (1) This debenture bears no interest and is secured by a floating charge on all of the assets both present and future of the Company. The holder of the debenture is the Estate of P.R. Gardiner. The late P.R. Gardiner was the father of George R. Gardiner, the Chairman of the Board, the President and a director of the Company.
- (2) In addition to the stated value of the outstanding common shares, the Company had retained earnings of \$6,774,636 at February 29, 1972.
- (3) The Company has specifically guaranteed bank indebtedness of Fleck Manufacturing Company, a partnership of which the Company is a partner, to the extent of \$900,000. Reference is made to "Fleck Manufacturing Company" on page 4 of the attached Prospectus.

1. APPLICATION

SONOR INVESTMENTS LIMITED (the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 240,000 8% cumulative redeemable First Preference shares (the "First Preference Shares") with a par value of \$5 each in the capital of the Company, all of which First Preference Shares have been issued and are outstanding as fully paid and non-assessable.

2. REFERENCE TO PROSPECTUS

Reference is made to the attached prospectus (the "Prospectus") issued by the Company under date of May 12, 1972, with respect to the offering by the Company of the First Preference Shares, which Prospectus is hereby incorporated in this application and made part thereof.

Particulars of the incorporation, history, business and properties of the Company and its subsidiaries, if any, are set forth in the Prospectus.

3. SHARES ISSUED SINCE AMALGAMATION

Upon amalgamation on January 28, 1972, 55,809 common shares without par value in the capital of the Company (as then constituted) were issued to the shareholders of Sonor Investments Limited and Judine Company Limited (the predecessors of the Company).

By Articles of Amendment issued to the Company on May 12, 1972, the authorized and issued capital of the Company was changed (a) by dividing on a 40-for-1 basis the issued common shares of the Company into 2,232,360 common shares and the authorized but unissued common shares into 1,767,640 common shares, and (b) by creating the First Preference Shares.

On May 30, 1972, 240,000 8% cumulative redeemable First Preference shares with a par value of \$5 each (the "First Preference Shares") in the capital of the Company were issued pursuant to an underwriting agreement made May 12, 1972, and then in existence between the Company, as issuer, and Fry Mills Spence Securities Limited, as underwriter, at and for an aggregate cash consideration of \$1,200,000 or \$5 per First Preference Share and in connection with which issue the Company paid to the said underwriter a commission of \$69,600. Reference is made to the headings "Application of Proceeds" on page 3 of the Prospectus and "Plan of Distribution" on page 12 of the Prospectus.

4. VOTING RIGHTS

The common shares of the Company each carry the right to one vote at meetings of shareholders of the Company. With respect to the First Preference Shares, reference is made to voting rights under the heading "Details of the Offering" commencing on page 8 of the Prospectus and to Schedule 1 to the Prospectus.

5. DIVIDEND RECORD

The Company has paid no dividends on its common shares during the past five years. With reference to the First Preference Shares, reference is made to the dividends under the heading "Details of the Offering" commencing on page 8 of the Prospectus and to the heading "Dividend Requirements" on page 11 of the Prospectus.

6. SUBSIDIARY COMPANIES

The Company is an investment company but is the owner of approximately 63% of the issued and outstanding equity shares of The Colonial Homes Limited, a private company incorporated on October 11, 1960. As an investment company, the Company looks upon its ownership of securities of The Colonial Homes Limited as an investment and not as a parent subsidiary relationship. Reference is made to the heading "The Colonial Homes Limited" on page 5 of the Prospectus.

7. FUNDED DEBT

Reference is made to the heading "Capitalization" on page 3 of the Prospectus and on page 1 of this application.

8. STOCK OPTIONS

There are no options to purchase shares in the capital of the Company outstanding.

9. LISTING ON OTHER STOCK EXCHANGES

It is not the intention of the Company to make application to list the First Preference Shares of the Company on any other stock exchanges.

10. STATUS UNDER SECURITIES ACT

The Ontario Securities Commission issued its final receipt on May 15, 1972, acknowledging receipt of the material required under The Securities Act (Ontario) relating to the offering by the Company of the First Preference Shares. The Manitoba, Saskatchewan, Alberta and British Columbia Securities Commissions issued their final receipts dated respectively, May 16, 1972, May 15, 1972, May 15, 1972, and May 17, 1972, acknowledging receipt of the material required under the Securities Acts of those provinces relating to the offering by the Company of the First Preference Shares.

11. FISCAL YEAR

The fiscal year of the Company ends on December 31, in each year.

12. ANNUAL MEETING

The by-laws of the Company provide that the meetings of shareholders shall be held at such place within Ontario at such time and on such day as the Board of Directors, or the President, or a Vice-President may from time to time determine, and "meeting of shareholders" is interpreted therein to mean and include annual meetings of shareholders. The last annual meeting of the shareholders of the Company was held on April 6, 1972.

13. HEAD OFFICE

The head office of the Company is located at 335 Bay Street, Toronto, Ontario.

14. TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the First Preference Shares of the Company is National Trust Company, Limited at its principal offices in Toronto, Winnipeg, Calgary and Vancouver and through the facilities of Canada Permanent Trust Company in Regina.

New Issue

\$1,200,000
(240,000 shares)

Sonor Investments Limited

8% Cumulative Redeemable First Preference Shares
with a par value of \$5 each

The 8% cumulative redeemable first preference shares with a par value of \$5 each (the “First Preference Shares”) when issued, will be fully paid and non-assessable, preferred as to capital and entitled to fixed cumulative preferential cash dividends, as and when declared by the board of directors, at the rate of 8% per annum to accrue from May 30, 1972. The first dividend on the First Preference Shares in the amount of \$.12 per share will be payable on September 15, 1972 and thereafter dividends in the amount of \$.20 per share will be payable semi-annually on the 15th days of March and September commencing March 15, 1973.

The Company will in each calendar year commencing with the year 1973 make a reasonable effort to purchase for cancellation up to 4,800 First Preference Shares in the market (if obtainable) at prices not exceeding \$5.00 per share plus accrued and unpaid dividends and costs of purchase.

There is no market for the First Preference Shares of the Company.

Reference is made to the heading “Details of the Offering” on page 8 for a summary of certain provisions attaching to the First Preference Shares.

In the opinion of counsel, these First Preference Shares will be investments in which the Canadian and British Insurance Companies Act states that a company registered under Part III thereof may invest its funds without availing itself of the provisions of subsection (4) of Section 63 of the said Act.

Price: \$5.00 per share

We, as principals, conditionally offer these First Preference Shares, subject to prior sale, if, as and when issued by the Company and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under “Plan of Distribution” on page 12 and subject to the approval of all legal matters on behalf of the Company by Messrs. McCarthy & McCarthy, Toronto, and on our behalf by Messrs. Blackwell, Law, Treadgold & Armstrong, Toronto.

	Price to Public	Underwriting commission	Proceeds to Company (1)
Per share.....	\$5.00	\$.29	\$4.71
Total.....	\$1,200,000	\$69,600	\$1,130,400

(1) Before deducting expenses of issue, estimated at \$30,000.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that certificates for First Preference Shares in definitive form will be available for delivery on or about May 30, 1972.

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Purchaser's Statutory Rights of Withdrawal and Rescission

Sections 64 and 65 of The Securities Act (Alberta), sections 70 and 71 of The Securities Act, 1967 (Saskatchewan), sections 63 and 64 of The Securities Act (Manitoba) and sections 64 and 65 of The Securities Act (Ontario) provide, in effect, that where a security is offered to the public in the course of primary distribution:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provide, in effect, that where a security is offered to the public in the course of primary distribution:

- (a) a purchaser has a right to rescind a contract for the purchase of such security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the aforesaid Acts for the complete texts of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.

The Company

Sonor Investments Limited is a company incorporated under the laws of the Province of Ontario and is a continuation of Sonor Investments Limited ("Investments") and Judine Company Limited ("Judine") by articles of amalgamation effective January 28, 1972. Investments was incorporated by letters patent dated September 9, 1960 and Judine was incorporated by letters patent dated August 7, 1959. In this prospectus Sonor Investments Limited and its predecessors, Judine and Investments, are collectively referred to as the "Company". By certificate of amendment effective May 12, 1972, the Company's share capital was changed to its present form and the First Preference Shares were created.

The head office of the Company and its principal place of business are located at 335 Bay Street, Toronto, Ontario.

Capitalization

After giving effect to the certificate of amendment referred to in note (3) below, the capitalization of the Company is as follows:

<u>Designation of Security</u>	<u>Authorized or to be authorized</u>	<u>Outstanding on February 29, 1972 and on March 31, 1972</u>	<u>To be outstanding after giving effect to this issue</u>
INDEBTEDNESS			
Bank (1).....		\$1,000,000	—
Demand debenture (2).....	\$1,300,000	\$1,300,000	\$1,300,000
CAPITAL STOCK (3)			
8% cumulative redeemable first preference shares with a par value of \$5 each (this issue).....	240,000 shs. (\$1,200,000)	—	240,000 shs. (\$1,200,000)
Common shares without par value (4).....	4,000,000 shs.	2,232,360 shs. (\$15,006)	2,232,360 shs. (\$15,006)

- (1) The indebtedness to the Company's bankers is secured by a specific mortgage, charge and pledge in favour of such bankers of 60,084 common shares in the capital of Bell Canada. This specific mortgage, charge and pledge will be released on repayment of such indebtedness out of the proceeds of the issue of the securities offered by this prospectus as indicated under "Application of Proceeds" on page 3.
- (2) This debenture bears no interest and is secured by a floating charge on all of the assets both present and future of the Company. The holder of the debenture is the Estate of P. R. Gardiner. The late P. R. Gardiner was the father of George R. Gardiner, the Chairman of the Board, the President and a director of the Company.
- (3) The above capitalization table gives effect to the issue to the Company of a certificate of amendment dated May 12, 1972 changing the authorized and issued capital of the Company (a) by subdividing on a 40 for 1 basis the issued common shares of the Company into 2,232,360 common shares and the authorized but unissued common shares of the Company into 1,767,640 common shares, and (b) creating 240,000 8% cumulative redeemable first preference shares with a par value of \$5 each (this issue).
- (4) As shown on the balance sheet on page 13, in addition to the stated value of the outstanding common shares, the Company had retained earnings of \$6,774,636 at February 29, 1972.
- (5) The Company has specifically guaranteed bank indebtedness of Fleck Manufacturing Company, a partnership of which the Company is a partner, to the extent of \$900,000. Reference is made to "Fleck Manufacturing Company" on page 4.

Application of Proceeds

The estimated net proceeds from the sale of the First Preference Shares offered hereby will amount to \$1,130,400, less expenses of the issue estimated at \$30,000, and will be used primarily to repay current indebtedness of the Company to its bankers in the amount of \$1,000,000. The said indebtedness was incurred by the Company for the purpose of repaying demand notes of the Company which had been created on the purchase for cancellation of preference shares of the Company. Such preference shares were owned by George R. Gardiner and his children. Reference is made to "Principal Owners of Securities" on page 11. The balance of such net proceeds will be added to the working capital of the Company pending their investment in marketable securities. Reference is made to "Investment Policy" on page 6.

Business of the Company

The Company is an investment company and presently owns the portfolio of investments shown in the Schedule of Investments contained in the financial statements forming part of this prospectus.

Scott's Restaurants Co. Limited

Scott's Restaurants Co. Limited ("Scott's") and its predecessors have been actively engaged in the fast food service industry since 1937 and has expanded over the years into a major company in that field.

Scott's is the holder of franchises for the sale of "Colonel Sanders Kentucky Fried Chicken" in substantially the whole of the Province of Quebec and in most major centres of the Province of Ontario. The sale of "Colonel Sanders Kentucky Fried Chicken" is carried on largely under the name "Scott's Chicken Villa". Scott's also operates highway service centre restaurants, table service restaurants and caters to industry with in-plant feeding facilities.

Scott's has carried on a program of continuing expansion in the Provinces of Ontario and Quebec and its shares are listed on the Toronto and Montreal Stock Exchanges. The Company owns 768,315 common shares of Scott's, representing approximately 18.5% of the common shares of Scott's, approximately 1.6% of the book value of the Company's assets as at February 29, 1972 and approximately 60% of the market value of the Company's marketable securities as at February 29, 1972. Reference is made to Note 5 to the financial statements appearing on page 18.

Scott's has not, since it made a distribution of its common shares to the public in 1969, paid dividends but its audited consolidated earnings over the last five years have been as follows:

		<u>52 weeks ended</u>		
<u>December 26, 1971</u>	<u>December 27, 1970</u>	<u>December 28, 1969</u>	<u>December 29, 1968</u>	<u>December 30, 1967</u>
\$3,229,736	\$2,290,013	\$1,337,123	\$762,762	\$476,767
(\$.77¾ per share)	(\$.55½ per share)	(\$.38¾ per share)	(\$.24½ per share)	(\$.15½ per share)

George R. Gardiner, the Chairman of the Board and President of the Company is also the Chairman of the Board and a director of Scott's and is the beneficial owner of a nominal number of the issued and outstanding common shares in the capital of Scott's. Mr. William J. Bushnell, a director of the Company, is also a director of Scott's and is the beneficial owner of 10,000 issued and outstanding common shares of Scott's.

Fleck Manufacturing Company

Fleck Manufacturing Company ("Fleck") is a partnership of which the Company has been a 50% partner since 1959. Fleck has carried on business for approximately 25 years specializing in the manufacture of external and internal electrical leads and wiring. Items manufactured by Fleck include refrigeration resistance heaters for frost free refrigerators; cord sets with moulded ends for lamps, appliances and power tools; wiring assemblies which interconnect the control mechanism on domestic washers, dryers, deep freezers and similar items; and wiring assemblies for trailers and automobiles. The manufacturing operations of Fleck are carried on in a modern one storey building in Tillsonburg, Ontario, containing approximately 69,500 sq. ft. of space including 21,600 sq. ft. of space added in 1972. This land and building is owned by 91 Lincoln St. Limited in which the Company has an investment as shown in the Schedule of Investments. As at January 31, 1972, Fleck had current assets of \$1,374,900, and fixed assets of \$224,979 (after provision for depreciation and amortization), and goodwill of \$155,415. Liabilities totalled \$1,115,319 of which \$807,972 were borrowings from its bank.

As a partner, the Company is potentially liable for all liabilities of Fleck, both known and unknown. The management of Fleck has informed the Company that Fleck maintains liability insurance for product liability in an aggregate amount of \$3,000,000. Based upon its knowledge as a partner in Fleck, the Company considers this coverage to be adequate. As indicated under "Capitalization" on page 3, the Company has specifically guaranteed indebtedness of Fleck to its bankers to the extent of \$900,000.

Fleck has operated profitably since the Company became a partner in 1959 and, as indicated under "Statement of Earnings" on page 14 and note 2 on page 18, the Company's share of the profits of Fleck over the past five fiscal years of Fleck has been:

<u>Year ended January 31</u>				
<u>1972</u>	<u>1971</u>	<u>1970</u>	<u>1969</u>	<u>1968</u>
\$166,700	\$84,131	\$128,405	\$140,004	\$142,447

The Company's investment in Fleck represents approximately 1.9% of the book value of the Company's assets as at February 29, 1972.

The Colonial Homes Limited

The Company is the owner of approximately 63% of the issued and outstanding equity shares of The Colonial Homes Limited ("Colonial"), a private company incorporated on October 11, 1960. Reference is made to "Interest of Management in Material Transactions and Other Material Information" on page 7. This investment represents approximately 3.9% of the book value of the Company's assets as at February 29, 1972.

Colonial manufactures and sells prefabricated cottages and homes largely in Ontario, Quebec and the Maritimes under the trade name "Colonial-Sunnibuilt". Colonial owns and operates manufacturing facilities at Pickering, Ontario and Halifax, Nova Scotia for the servicing of its markets. Security Home Financing Limited, a wholly-owned subsidiary of Colonial, holds a portfolio of Central Mortgage and Housing Corporation guaranteed mortgages with an approximate aggregate face value of \$200,000 all of which are serviced by a Canadian chartered bank and all of which are current.

Colonial has not paid dividends; however its audited consolidated earnings over the last five years have been as follows:

<u>11 months ended December 31, 1971</u>	<u>12 months ended January 31</u>			
	<u>1971</u>	<u>1970</u>	<u>1969</u>	<u>1968</u>
\$108,669	\$111,681	\$128,154	\$143,947	\$98,166

George R. Gardiner and William J. Bushnell, senior officers and directors of the Company, are also senior officers and directors of Colonial, but have no beneficial interest therein. Reference is made to "Interest of Management in Material Transactions and Other Material Information" on page 7.

Diversification of Assets

At March 31, 1972, the information with respect to each corporation, 5% or more of whose securities of any class are owned directly or indirectly by the Company is as follows:

<u>Name and Address</u>	<u>Nature of Principal Business</u>	<u>Percentage of securities of any class beneficially owned, directly or indirectly, by Company</u>	<u>Percentage of book value of Company's assets invested therein</u>
Bowles Enterprises (1968) Limited, 4th Floor, 335 Bay Street, Toronto, Ontario	Owner of properties leased to Scott's Restaurants Co. Limited	25% of the common shares 25% of the 7% Income Debentures	Less than 1% 4.4%
Debhold (Canada) Limited, P.O. Box 28, Toronto-Dominion Centre, Toronto, Ontario	Holding Company	8.0% of the 6¼% B Preferred Shares	6.9%
Dominion Lime Limited, 369 Rabastabere St. E., St Bruno, Quebec	Manufacturing prefabricated concrete forms	5.5% of the 6½% Debentures, Series C	Less than 1%

<u>Name and Address</u>	<u>Nature of Principal Business</u>	<u>Percentage of securities of any class beneficially owned, directly or indirectly, by Company</u>	<u>Percentage of book value of Company's assets invested therein</u>
Nordair Holdings Limited, Montreal International Airport, Dorval, Quebec	Holding company	21% of the common shares	Less than 1%
Scott's Restaurants Co. Limited, 2000 Jane Street, Weston, Ontario	Operates Scott's Chicken Villas	18.5% of the common shares	1.6%
The Colonial Homes Limited, West Hill, Ontario	Manufacturers of pre-fabricated homes	63% of the common shares	3.9%
91 Lincoln St. Limited, 4th Floor, 335 Bay Street, Toronto, Ontario	Owns and leases the land and building occupied by Fleck Manufacturing Company	36% of the 7% Income Debentures 33⅓% of the preferred shares	1.1% Less than 1%

The foregoing does not include information relating to corporations whose securities are carried on the books of the Company at no value. It is anticipated that any recovery by the Company with respect to these investments would be minimal.

Investment Policy

It is the Company's intention to seek capital safety and growth and increased earnings over the long run, through investment in common shares, preferred shares and bonds. Specifically, the Company presently intends to maintain its holdings in Scott's Restaurants Co. Limited and The Colonial Homes Limited and its partnership interest in Fleck Manufacturing Company. The management of the Company and its investment policies and portfolio transactions are under the sole control and direction of the board of directors of the Company and investment policies may be altered without reference to the shareholders of the Company. However, the board is empowered and has delegated the authority to make investment decisions and brokerage arrangements to the officers of the Company. Investment analysis and recommendations may be obtained from brokers, investment dealers and investment advisers in Canada and in the United States. Gardiner, Watson Limited, 335 Bay Street, Toronto, Ontario is the principal broker of the Company and during the three years preceding the date hereof, received an aggregate of approximately \$30,000 by way of commission on portfolio transactions of the Company. The Company may from time to time allocate brokerage business to persons or companies engaged in the sale to the public of the First Preference Shares or to persons or companies who provide statistical research or other information and services, but there is no formula, method or criterion to be used in allocating such business to such persons.

The total cost of securities held by the Company on January 1, 1971 was \$10,526,266 and the total cost of securities held by the Company at December 31, 1971 was \$11,430,572. During the fiscal year of the Company ended December 31, 1971, and during the period from January 1, 1972 to February 29, 1972, the total costs of securities acquired by the Company were \$3,806,363 and \$799,507 respectively.

The Company has no present intention of issuing securities other than the First Preference Shares, nor does it presently have any intention of borrowing money or underwriting securities or purchasing real estate, commodities or commodity future contracts, or making loans. The Company presently does not have any policy in connection with the percentage of its assets which it may invest in securities of any one company or the percentage of securities of any one company which it may acquire, but it does not intend to acquire securities in companies for the purpose of exercising control or management or to invest in securities of mutual fund companies. However, the conditions attaching to the First Preference Shares

contain restrictions to the effect that the Company may only invest in securities other than "Qualified Investments of the Corporation" under certain conditions, a summary of which restrictions and conditions is set out on pages 8, 9 and 10 under "Details of the Offering".

Directors and Officers

The names and home addresses in full of the directors and officers of the Company, the positions and offices held by each of them and the principal occupation of each during the past five years are as follows:

<u>Name and Address</u>	<u>Office or Position</u>	<u>Principal Occupation</u>
GEORGE RYERSON GARDINER 4 Old Forest Hill Road, Toronto, Ontario	Chairman of the Board President and Director	President, Gardiner, Watson Limited, Stockbrokers
WILLIAM JOHN BUSHNELL 146 Forest Hill Road, Toronto, Ontario	Secretary-Treasurer and Director	Treasurer, Gardiner, Watson Limited, Stockbrokers
JAMES MCPHAIL GILLIES 73 Fairway Heights Drive, Thornhill, Ontario	Director	Dean, Faculty of Administrative Studies, York University, Toronto, Ontario
FRANK VACLAV KOCLIK 9 Deerfield Road, Scarborough, Ontario	Director	Research Manager, Gardiner, Watson Limited, Stockbrokers
WILMOT LESLIE MATTHEWS 3 Clarendon Crescent, Toronto, Ontario	Director	Investment Dealer, Fry Mills Spence Limited, Investment Dealers

Remuneration of Directors and Senior Officers

The aggregate direct remuneration paid or payable by the Company and its subsidiaries to the directors and senior officers of the Company during the completed financial year of the Company ended December 31, 1971 was \$5,600, and for the further period ended February 29, 1972 was \$933.

These amounts do not include any amounts paid to employees of Fleck Manufacturing Company, a partnership of which the Company is a partner. Reference is made to "Fleck Manufacturing Company" on page 4.

Interest of Management in Material Transactions and Other Material Information

In a series of transactions on December 28, 1971 (a) the Company redeemed at par all of its then outstanding preference shares, all of which were held by George R. Gardiner and his children, and, in payment of the redemption price of \$3,285,000 issued non-interest bearing demand notes; (b) the Company purchased from Gardiner Farms Limited marketable securities valued at \$2,030,087.50 (the valuation of such securities being the closing market prices thereof on December 23, 1971) the purchase price for which was satisfied by the Company (i) assuming the liabilities of Gardiner Farms Limited to the Estate of Percy R. Gardiner in the amount of \$1,300,000 by issuing the demand debenture referred to under "Capitalization" on page 3, and (ii) cancelling \$730,087.50 of indebtedness of Gardiner Farms Limited to the Company; (c) the Company sold 457,444 shares of Zenith Electric Supply Limited to Gardiner Farms Limited for \$1,097,865.60 (the valuation of such securities being the closing market price on December 23, 1971) the sale price being satisfied by the issue to the Company of a 6% Secured Demand Income Debenture of Gardiner Farms Limited; and (d) the Company purchased for cancellation from National Trust Company, Limited, Trustee for Percy R. Gardiner Trust #1, an 8% Secured Demand Debenture and an 8% Income Debenture of the Company in respective principal amounts of \$314,000 and \$186,000, the purchase price therefor being satisfied by the Company transferring to the said trustee 10,666 common shares of Bell Canada, the market value of which shares at the date of transfer was the approximate equivalent of the purchase price.

In February of 1972, Gardiner Farms Limited repaid in cash all its indebtedness to the Company, including the \$1,097,865.60 evidenced by the 6% Secured Demand Income Debenture hereinbefore referred to.

The Company then used the proceeds of such repayment, together with funds borrowed from the Company's bankers as shown under "Capitalization" on page 3, to repay the outstanding non-interest bearing demand notes which were issued by the Company to George R. Gardiner and his children in December 1971 on redemption of preference shares of the Company hereinbefore referred to. (See "Application of Proceeds" on page 3.)

At all relevant times the beneficial owners of Gardiner Farms Limited and the beneficiaries of Percy R. Gardiner Trust #1 were the wife and children of George R. Gardiner.

On December 28, 1971, at a time when George Ryerson Gardiner, the present Chairman of the Board and President of the Company, was neither a director nor an officer of the Company, the Company purchased from Mr. Gardiner 37,046 common shares without par value in the capital of The Colonial Homes Limited for approximately \$359,000. The price was considered by the management of the Company to represent fair market value and increased the Company's holdings of common shares in The Colonial Homes Limited from approximately 32% to the present 63% referred to under "Diversification of Assets" on page 5. Reference is also made to "The Colonial Homes Limited" on page 5.

Mr. Gardiner is also the President, a director and a substantial shareholder and Mr. Bushnell is also the Treasurer, a director and shareholder, of Gardiner, Watson Limited, the principal broker of the Company as referred to under "Investment Policy" on page 6. Gardiner, Watson Limited is a member of the banking group relating to the issue of the securities offered by this prospectus and, accordingly, will receive commissions on sales of such securities effected by them.

Wilmot Leslie Matthews, a director of the Company, is a director and shareholder of Fry Mills Spence Limited, the parent corporation of Fry Mills Spence Securities Limited, the underwriter referred to under "Plan of Distribution" on page 12.

Mr. Gardiner, the Chairman of the Board and President of the Company and William J. Bushnell, a director of the Company, are directors and/or officers of Bowles Enterprises (1968) Limited, in which the Company has an investment, but have no beneficial interest therein.

Mr. Gardiner is the Chairman of the Board, a director and the beneficial owner of approximately $\frac{1}{3}$ of the issued and outstanding common shares of 91 Lincoln St. Limited, in which the Company has an investment. Mr. Bushnell is an officer of 91 Lincoln St. Limited but has no beneficial interest therein.

As indicated in the Schedule of Investments contained in the financial statements forming part of this prospectus, the Company owns common shares and options to purchase common shares in the capital of Nordair Limited, which operates a regional airline in Canada. Nordair Limited is controlled by Nordair Holdings Limited, a holding company of which the Company owns 21% of the issued and outstanding equity shares. Mr. Gardiner, through a wholly-owned corporation, owns 200,000 common shares and options to purchase a further 100,000 common shares in the capital of Nordair Limited.

Mr. Bushnell is a director and shareholder and Mr. Gardiner personally and through a wholly-owned corporation is a shareholder, of Alberta Eastern Gas Limited, a corporation in which the Company has an investment.

Mr. Gardiner is the Chairman of the Board and a director and a major shareholder of GSW Limited, a corporation in which the Company has an investment.

Reference is made to "Diversification of Assets" on page 5, and "Investment Policy" on page 6.

Details of the Offering

The preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the 8% cumulative redeemable first preference shares with a par value of \$5 each are set forth in Schedule I but may be summarized as follows:

Dividends

The holders of the First Preference Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the board of directors, at the rate of 8% per annum to accrue from May 30, 1972. The first dividend in the amount of \$.12 per share will be payable on September 15, 1972 and thereafter dividends in the amount of \$.20 per share will be payable semi-annually on the 15th days of March and September commencing March 15, 1973.

Liquidation and Distribution

In the event of liquidation, dissolution or other similar distribution of assets to shareholders, the holders of the First Preference Shares will be entitled to receive, in preference to the holders of any other shares of the Company, the sum of \$5.00 per share plus all accrued and unpaid dividends and, if such distribution shall result from voluntary action on the part of the Company, an additional amount equal to the premium which would have been payable on the redemption of the First Preference Shares if they had been called for redemption by the Company on the date of distribution.

Purchase and Redemption

The Company may purchase the whole or any part of the outstanding First Preference Shares in the open market or by invitation for tenders at the lowest price at which, in the opinion of the directors, such shares are obtainable but not exceeding the redemption price per share plus costs of purchase.

The First Preference Shares will be redeemable at the option of the Company in whole at any time or in part from time to time on not less than 30 days' notice at the following redemption prices plus all accrued and unpaid dividends:

- \$5.35 per share if redeemed on or before April 30, 1975
- \$5.30 per share if redeemed thereafter and on or before April 30, 1978
- \$5.25 per share if redeemed thereafter and on or before April 30, 1981
- \$5.20 per share if redeemed thereafter and on or before April 30, 1984
- \$5.15 per share if redeemed thereafter and on or before April 30, 1987
- \$5.10 per share if redeemed thereafter and on or before April 30, 1990
- \$5.05 per share if redeemed thereafter and on or before April 30, 1993
- \$5.00 per share if redeemed thereafter.

Restrictions

No dividends shall be declared or paid on any shares of the Company junior to the First Preference Shares, nor shall the Company redeem, purchase or pay off any shares of the Company junior to the First Preference Shares unless all dividends on the First Preference Shares then outstanding accrued for all dividend periods previous to the then current dividend period shall have been paid.

So long as any of the First Preference Shares are outstanding the Company shall not, without the approval of the holders of the First Preference Shares,

- (i) permit the aggregate market value of the Qualified Investments of the Corporation, after deducting from such aggregate market value the greater of
 - (aa) the aggregate market value of the Qualified Investments of the Corporation which are the subject of any mortgage, pledge or charge (other than a floating charge) or the sale of which is restricted by reason of a representation, undertaking or agreement by the Corporation or by a predecessor in title of the Corporation; and
 - (bb) the amount of all indebtedness of the Corporation including all indebtedness of any partnership in which the Corporation is a partner plus the amount of all indebtedness guaranteed by the Corporation and not taken into account as indebtedness of the Corporation as aforesaid

at any time to be less than five times the aggregate of the par value of the First Preference Shares then outstanding; provided that there shall not be included in the aggregate market value of the Qualified Investments of the Corporation that portion of the market value of securities of any one corporation (other than common shares of Scott's Restaurants Co. Limited or Bell Canada or

any successor of either of them, and other than securities issued or guaranteed by the Government of Canada or the United States or any province of Canada and other than bank deposits) which exceeds 10% of the aggregate market value of all Qualified Investments of the Corporation; and

“Qualified Investments of the Corporation” means (a) common shares of Scott’s Restaurants Co. Limited to the extent of $\frac{2}{3}$ of the value thereof; or (b) any security (including common shares of Scott’s Restaurants Co. Limited) which is an investment in which, as of March 1, 1972, the Canadian and British Insurance Companies Act stated that a company registered under Part III thereof may invest its funds without availing itself of the provisions of Section 63(4) of the said Act, and, in the case of shares of a corporation, which is listed on a recognized stock exchange in Canada or the United States, and, in the case of common shares of such a corporation, on which there have been paid dividends in each of the last five years preceding the date of investment;

- (ii) issue any shares ranking as to payment of dividends or repayment of capital in priority to or pari passu with the First Preference Shares;
- (iii) declare or pay any dividends on any shares of the Company other than the First Preference Shares or redeem, purchase, pay off or make any capital distribution in respect of any shares of the Company other than the First Preference Shares if after giving effect thereto the aggregate amount declared and paid as dividends on all shares of the Company subsequent to December 31, 1971 plus the aggregate amount distributed or paid subsequent to December 31, 1971 in connection with the redemption, purchase, paying off or other capital distribution in respect of all shares other than the First Preference Shares would exceed the aggregate of (aa) the Cash Income Available for Distribution (which will be defined to mean in effect the net income of the Company including profits or losses on the sale of assets) of the Company earned subsequent to December 31, 1971, plus \$575,000, and (bb) the consideration received by the Company subsequent to December 31, 1971 from the issuance of shares other than the First Preference Shares.

Annual Purchase Requirement

The Company will in each calendar year commencing with the year 1973 make a reasonable effort to purchase for cancellation up to 4,800 First Preference Shares in the market (if obtainable) at prices not exceeding \$5.00 per share plus all accrued and unpaid dividends and costs of purchase.

Voting Rights

The holders of the First Preference Shares shall be entitled to receive notice of and to attend meetings of shareholders and to have one vote thereat in respect of each First Preference Share then held by them respectively.

In the event the Company fails to observe any of the conditions described under “Restrictions” above or in the event any dividend on the First Preference Shares is in arrears, each for at least 45 days after notice thereof to the Company, the holders of the First Preference Shares shall be entitled, voting separately as a class, to elect a majority of the board of directors of the Company.

Amendment and Approval

The provisions attaching to the First Preference Shares may be amended with the approval of the holders of the First Preference Shares, which approval and any other approval referred to above may be given by at least two-thirds of the votes cast at a meeting of the holders of such shares duly called for that purpose.

Reference is made to Schedule I for the complete text of such preferences, rights, conditions, restrictions, limitations and prohibitions and the foregoing summary is subject to the express conditions thereof.

Tax Status of Company and Holders of First Preference Shares

The Company will be a public corporation within the meaning and under the applicable provisions of the Income Tax Act (Canada) and as such the income and capital receipts of the Company will be taxed

on the same basis as the income and capital receipts of other Canadian public corporations. The Company is subject to the applicable income tax legislation of the Province of Ontario on the same basis as other companies incorporated under the laws of that province and having offices and carrying on business in that province.

The holders of First Preference Shares will be subject to the applicable federal and provincial income taxes normally levied on dividends and other distributions from Canadian public corporations.

Dividend Requirements

The income of the Company in the year ended December 31, 1971 was \$369,951 after provision for income taxes or approximately 3.8 times the annual dividend requirements of the First Preference Shares.

Asset Coverage

Based on the balance sheet of the Company shown on page 13 the net assets of the Company as at February 29, 1972, reflecting the valuation of marketable securities at approximate market value, were \$20,813,955. Such net assets are equivalent to 17.3 times the aggregate par value of the First Preference Shares to be outstanding after this issue.

The book value of the net assets of the Company as at such date was \$6,789,642, which is equivalent to 5.65 times the aggregate par value of the First Preference Shares to be outstanding after this issue.

Principal Owners of Securities

As of March 31, 1972, the following table and notes thereto show the owners of record or beneficially, directly or indirectly, of more than 10% of the issued equity shares of the Company:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Number of shares owned (4)</u>	<u>Percentage of class</u>
HELEN DORIS PHELAN..... 8 Old Forest Hill Road, Toronto, Ontario	Of record (1)	744,120	33.33%
WILLIAM JOHN BUSHNELL..... 146 Forest Hill Road, Toronto, Ontario	Of record (2)	496,080	22.22%
JUDITH ANNE GARDINER..... 11 Walmer Road, Apartment 605, Toronto, Ontario	Of record and beneficial (2)	248,040	11.11%
NATIONAL TRUST COMPANY, LIMITED..... 21 King St. East, Toronto, Ontario	Of record (3)	496,080	22.22%
MICHAEL RYERSON GARDINER..... 4 Old Forest Hill Road, Toronto, Ontario	Of record and beneficial (3)	248,040	11.11%

- (1) Helen Phelan owns such shares in her capacity as trustee for Christine Louise Gardiner, one of the children of George R. Gardiner, the Chairman of the Board, the President and a director of the Company. Neither George R. Gardiner nor Helen Phelan have any beneficial interest in such shares.
- (2) William John Bushnell owns such shares in his capacity as trustee for Judith Anne Gardiner, one of the children of George R. Gardiner, the Chairman of the Board, the President and a director of the Company. Neither George R. Gardiner nor William John Bushnell have any beneficial interest in such shares. Judith Anne Gardiner, by including these shares with other shares indicated above as being held of record and beneficially by Judith Anne Gardiner, is the beneficial holder of 33.33% of the equity shares of the Company.

- (3) National Trust Company, Limited (the Transfer Agent and Registrar for the First Preference Shares) owns such shares in its capacity as trustee for Michael Ryerson Gardiner, one of the children of George R. Gardiner, the Chairman of the Board, the President and a director of the Company. Neither George R. Gardiner nor National Trust Company, Limited have any beneficial interest in such shares. Michael Ryerson Gardiner, by including these shares with other shares indicated above as being held of record and beneficially by Michael Ryerson Gardiner, is the beneficial holder of 33.33% of the equity shares of the Company.
- (4) The above table reflects the subdivision of issued and outstanding shares of the Company on a 40 for 1 basis by certificate of amendment dated May 12, 1972.

Plan of Distribution

Pursuant to an agreement dated May 12, 1972 with Fry Mills Spence Securities Limited, the Company has agreed to sell and Fry Mills Spence Securities Limited, as underwriter, has agreed to purchase all but not less than all of the 240,000 First Preference Shares offered hereby at an aggregate price of \$1,200,000 payable in cash against delivery on or about May 30, 1972 but in any event not later than June 6, 1972, subject to the terms and conditions set forth in the said agreement. The obligations of the underwriter under such agreement may be terminated at its discretion on the basis of its assessment of the state of the financial market on or before a date specified in the agreement and may also be terminated upon the occurrence of certain stated events.

Material Contracts

Except for contracts entered into in the ordinary course of business the only material contracts entered into by the Company and its subsidiaries within the two years prior to the date of this prospectus are the following:

1. The underwriting agreement referred to in "Plan of Distribution" on page 12.
2. The amalgamation agreement whereby Sonor Investments Limited and Judine Company Limited amalgamated to continue as the Company, which amalgamation agreement was confirmed by articles of amalgamation effective on January 28, 1972.
3. A contract whereby on December 28, 1971, the Company purchased 37,046 common shares in the capital of The Colonial Homes Limited referred to under "Interest of Management in Material Transactions and other Material Information" on page 7.
4. The contracts in December, 1971 through February, 1972 providing for the transactions referred to under "Interest of Management in Material Transactions and Other Material Information" on page 7.

Copies of the foregoing contracts may be inspected at the offices of the Company at 335 Bay Street, Toronto, Ontario, during the ordinary business hours during the course of distribution of the First Preference Shares offered hereby to the public and for a period of 30 days thereafter.

Auditors, Transfer Agent and Registrar and Custodian

The auditors of the Company are Messrs. Campbell, Lawless & Punchard, Chartered Accountants, 8 King Street East, Toronto, Ontario.

The Company maintains the books for the transfer of its common shares at its head office, 335 Bay Street, Toronto, Ontario.

The transfer agent and registrar for the First Preference Shares of the Company will be National Trust Company, Limited at its principal offices in Toronto, Winnipeg, Calgary and Vancouver and through the facilities of Canada Permanent Trust Company in Regina.

While no formal agreement exists as to custody of the Company's portfolio of securities, such securities are retained in the safekeeping facilities of the Company's principal broker, Gardiner, Watson Limited, 335 Bay Street, Toronto, Ontario.

SONOR INVESTMENTS LIMITED

Balance Sheet and Pro Forma Balance Sheet

as at February 29, 1972

ASSETS

	Balance Sheet	Pro Forma Balance Sheet (note 4)
Cash.....	\$ 100	\$ 100,500
Accounts receivable.....	85,167	85,167
INVESTMENTS AT COST		
Marketable investments (quoted market value \$21,907,189).....	7,882,876	7,882,876
Other investments.....	1,247,187	1,247,187
	<u>\$9,215,330</u>	<u>\$9,315,730</u>

LIABILITIES

Bank loan (note 6).....	\$1,000,000	\$ —
Accounts payable and accrued liabilities.....	26,701	26,701
Provision for corporation income and special taxes.....	98,987	98,987
Secured demand non-interest bearing debentures.....	1,300,000	1,300,000
	<u>2,425,688</u>	<u>1,425,688</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Balance sheet (note 1)		
Authorized		
100,000 common shares without par value.....		
Issued		
55,809 common shares.....	15,006	
Pro Forma balance sheet (note 4)		
Authorized		
240,000 8% cumulative redeemable first preference shares with a par value of \$5 each.....		
4,000,000 common shares without par value.....		
Issued		
240,000 first preference shares.....		1,200,000
2,232,360 common shares.....		15,006
RETAINED EARNINGS		
Income.....	\$2,933,556	2,833,956
Capital gains.....	3,841,080	3,841,080
	<u>6,789,642</u>	<u>7,890,042</u>
	<u>\$9,215,330</u>	<u>\$9,315,730</u>

(See accompanying notes to financial statements)

Approved on behalf of the Board

(Signed) GEORGE GARDINER, Director

(Signed) W. J. BUSHNELL, Director

SONOR INVESTMENTS LIMITED

Statement of Earnings (note 1)

	Period from December 31, 1971 to February 29, 1972	Year ended December 31,				
		1971	1970	1969	1968	1967
INCOME						
Interest	\$ 1,327	\$ 14,732	\$ 67,406	\$ 15,813	\$ 19,349	\$ 53,836
Dividends	68,776	353,293	262,880	244,229	493,842	86,032
Share of income of partnership (note 2)	27,783	84,131	128,405	140,004	142,447	164,198
	<u>97,886</u>	<u>452,156</u>	<u>458,691</u>	<u>400,046</u>	<u>655,638</u>	<u>304,066</u>
EXPENSES						
Legal and audit . .	2,925	3,258	1,200	1,525	1,238	2,467
General expense and salary	1,614	8,096	620	610	2,645	730
Interest	5,468	—	—	—	—	—
Debenture interest	—	36,610	25,000	25,000	25,000	25,000
	<u>10,007</u>	<u>47,964</u>	<u>26,820</u>	<u>27,135</u>	<u>28,883</u>	<u>28,197</u>
Earnings before income taxes	87,879	404,192	431,871	372,911	626,755	275,869
Provision for income taxes	29,841	34,241	85,832	77,477	85,254	118,696
Net earnings	<u>\$ 58,038</u>	<u>\$ 369,951</u>	<u>\$ 346,039</u>	<u>\$ 295,434</u>	<u>\$ 541,501</u>	<u>\$ 157,173</u>

Statement of Retained Earnings (note 1)

Balance beginning of period	\$2,806,059	\$2,436,108	\$2,090,069	\$1,794,635	\$1,253,134	\$1,095,961
Add:						
Net earnings . . .	58,038	369,951	346,039	295,434	541,501	157,173
Share of net income of partnership (note 2)	69,459	—	—	—	—	—
Balance end of period . .	<u>\$2,933,556</u>	<u>\$2,806,059</u>	<u>\$2,436,108</u>	<u>\$2,090,069</u>	<u>\$1,794,635</u>	<u>\$1,253,134</u>

Statement of Capital Gains (note 1)

Balance beginning of period	\$4,408,887	\$4,070,097	\$3,972,658	\$1,938,361	\$1,685,961	\$ 187,863
Gain (loss) on investments:						
Proceeds on sales .	464,431	2,699,760	1,520,594	2,209,477	609,467	2,561,641
Less cost of secur- ities sold	566,201	2,360,970	1,423,155	175,180	357,067	1,063,543
Less cost of shares written off	466,037	—	—	—	—	—
	<u>(567,807)</u>	<u>338,790</u>	<u>97,439</u>	<u>2,034,297</u>	<u>252,400</u>	<u>1,498,098</u>
Balance end of period . .	<u>\$3,841,080</u>	<u>\$4,408,887</u>	<u>\$4,070,097</u>	<u>\$3,972,658</u>	<u>\$1,938,361</u>	<u>\$1,685,961</u>

(see accompanying notes to financial statements)

SONOR INVESTMENTS LIMITED

Statement of Changes in Net Assets (note 1)

	Period from December 31, 1971 to February 29, 1972	Year ended December 31				
		1971	1970	1969	1968	1967
Net assets at beginning of period	\$7,229,952	\$10,206,211	\$9,999,133	\$7,919,402	\$6,790,501	\$5,135,230
Add (deduct) changes during period						
Share of net income of partnership (note 2)	69,459	—	—	—	—	—
Net earnings	58,038	369,951	346,039	295,434	541,501	157,173
Gain (loss) on investments	(567,807)	338,790	97,439	2,034,297	252,400	1,498,098
Proceeds on issue of preferred shares	—	—	—	—	335,000	—
Consideration paid on redemption or purchase for cancellation of preferred shares	—	(3,685,000)	(236,400)	(250,000)	—	—
Net assets at end of period	<u>\$6,789,642</u>	<u>\$7,229,952</u>	<u>\$10,206,211</u>	<u>\$9,999,133</u>	<u>\$7,919,402</u>	<u>\$6,790,501</u>

(see accompanying notes to financial statements)

SONOR INVESTMENTS LIMITED

Schedule of Investments

as at February 29, 1972

MARKETABLE INVESTMENTS

	Number of Shares	Cost	Quoted Market value
PREFERRED SHARES			
Alcan Aluminium Limited, 4¼% cum. conv.	1,250	\$ 33,750	\$ 33,906
Bell Canada, \$3.20 cum. conv.	7,090	333,773	366,908
BC Sugar Refinery, Limited 5% cum.	185	3,053	2,960
Canada Cement Lafarge Ltd., 6½% cum.	2,000	39,500	40,500
Canadian Pacific Limited, 7¼% A	61,162	621,804	688,073
Debhoid (Canada) Limited, 6¼% cum. B	8,000	634,041	648,000
GSW Limited, 5% cum.	405	29,675	29,616
Loblaw Companies Limited, \$2.40 cum.	75	2,354	2,475
Rothmans of Pall Mall Canada Ltd., 6.85% cum. 1st ..	25	2,100	2,187
Seco-Cemp Limited, 7¼% A 1st	1,200	12,759	12,600
Traders Group Ltd., \$2.16 cum.	2,325	65,557	66,262
		<u>1,778,366</u>	<u>1,893,487</u>
COMMON SHARES			
Abitibi Paper Company Ltd.	5,000	44,300	45,000
Alberta Eastern Gas Limited	100,000	530,000	680,000
Alcan Aluminium Limited	16,500	390,181	346,500
Asbestos Corporation Limited	8,400	209,984	231,000
Bell Canada	60,084	2,776,158	2,718,801
Cominco Ltd.	29,300	742,009	842,375
Consolidated—Bathurst Limited	43,700	619,113	387,838
GSW Limited, A	22,432	11,719	269,184
GSW Limited, B	56,864	131,439	675,260
Imasco Limited	5,000	67,359	115,000
KeepRite Products Limited	3,300	42,696	40,425
Microsystems International Ltd.	7,720	73,169	57,900
Noranda Mines Limited	1,000	27,119	39,875
Scott's Restaurants Co. Limited (note 5)	768,315	151,160	13,157,394
The International Nickel Company of Canada Ltd. ..	5,000	136,883	171,875
Traders Group Ltd., A	10,000	91,726	172,500
		<u>6,045,015</u>	<u>19,950,927</u>
BONDS			
		<u>Principal Amount</u>	
Dominion Lime Ltd., 6½% February 1, 1982	\$ 500	500	425
Dominion Lime Ltd., 6½% June 1, 1985	40,000	32,000	34,000
Lakeland Natural Gas Ltd., 6% July 15, 1982	31,500	26,995	28,350
		<u>59,495</u>	<u>62,775</u>
Totals.....		<u>\$7,882,876</u>	<u>\$21,907,189</u>

SONOR INVESTMENTS LIMITED

Schedule of Investments (cont'd.)

as at February 29, 1972

OTHER INVESTMENTS

	Principal amount	Cost
INCOME DEBENTURES		
Bowles Enterprises (1968) Limited 7% maturing 1988.....	\$402,000	\$ 402,000
91 Lincoln St. Limited 7% maturing 1987.....	97,000	97,000
		<u>499,000</u>
STOCKS		
	Number of Shares	
Bowles Enterprises (1968) Limited, common.....	250	\$ 250
The Colonial Homes Limited, common (note 3).....	75,949	363,714
91 Lincoln St. Limited, preferred.....	10,000	1,000
Nordair Limited, common.....	40,000	200,000
Nordair Limited, option on 20,000 common shares at \$5 per share.....		—
Nordair Holding Limited, common.....	8,223	8,223
		<u>573,187</u>
INTEREST IN PARTNERSHIP		
Fleck Manufacturing Company.....		<u>175,000</u>
Total Other Investments at Cost.....		<u><u>\$1,247,187</u></u>

The investments shown under "Other Investments" above are in closely held enterprises and corporations. As there may be no ready market for such investments, they have been shown at cost. Since February 29, 1972, the shares of Nordair Limited have become listed securities, and the closing trade in such shares on The Toronto Stock Exchange on May 4, 1972 was \$6.75 per share.

SONOR INVESTMENTS LIMITED

Notes to Financial Statements

1. Under Articles of Amalgamation effective January 28, 1972 Sonor Investments Limited ("Investments") and Judine Company Limited ("Judine") were amalgamated under the name Sonor Investments Limited (the "Company"). The authorized capital of the Company was 100,000 common shares without par value. The 1,800 issued shares of Investments were converted into 10,800 issued shares of the Company and the 45,009 issued shares of Judine were converted into 45,009 issued shares of the Company.

The statements of earnings, retained earnings, capital gains and changes in net assets include the combined earnings and the combined changes in net assets of Investments and Judine for the five years ended December 31, 1971 and for the period from December 31, 1971 to January 28, 1972, and the earnings and changes in net assets of the Company for the period from January 28 to February 29, 1972.

2. The Company owns an interest in a partnership, Fleck Manufacturing Company, which is carried at its cost of \$175,000. The partnership carries on a manufacturing business and ends its fiscal year on January 31. The Company's share of the income for each of the partnership years ended January 31, 1967 to 1971 inclusive has been included in the income of the Company for its years ended December 31, 1967 to 1971 respectively. The Company has included in its income for the period from December 31, 1971 to February 29, 1972 one-sixth of its share of the partnership income for the year ended January 31, 1972 and the remaining five-sixths, net of income tax, has been shown in retained earnings.

The Company has guaranteed bank indebtedness of Fleck Manufacturing Company to the extent of \$900,000.

3. The Company owns 75,949 of the 120,000 issued common shares of The Colonial Homes Limited.

The financial statements of The Colonial Homes Limited have not been consolidated with those of the Company in view of the fact that The Colonial Homes Limited became a subsidiary of the Company only in December of 1971.

The Colonial Homes Limited has not paid any dividends and no portion of the income earned by that company has been included in the income of the Company in any period. Had the Company followed the equity method of accounting for its investment in the shares of The Colonial Homes Limited the carrying value of the investment would have been \$186,600 higher than the cost of \$363,714 at February 29, 1972 and the total income in the five years and two months ended February 29, 1972 would have been \$191,500 higher than shown in the statement of earnings.

4. The pro forma balance sheet as at February 29, 1972 gives effect to the following:

(i) the issue to the Company of a certificate of amendment changing the authorized and issued capital of the Company

(a) by subdividing on a 40 for 1 basis the issued common shares in the capital of the Company into 2,232,360 common shares and the authorized but unissued common shares in the capital of the Company into 1,767,640 common shares, and

(b) by creating 240,000 8% cumulative redeemable first preference shares with a par value of \$5 each,

(ii) the issue and sale to an underwriter of 240,000 8% cumulative redeemable first preference shares,

(iii) the payment to the underwriter of a commission of \$69,600 and the payment of estimated expenses of the issue of \$30,000,

(iv) and the repayment of the bank loan of \$1,000,000 and the addition of \$100,400 to the Company's cash.

5. Because of the number of Scott's Restaurants Co. Limited shares involved, the amounts that would be realized if those shares were to be sold may be considerably more or less than the quoted market value.

6. The indebtedness to the Company's bankers is secured by a specific mortgage, charge and pledge in favour of such bankers of 60,084 common shares in the capital of Bell Canada. This specific mortgage, charge and pledge will be released on repayment of such indebtedness out of the proceeds of the issue of the securities referred to in note 4 above.

Auditors' Report

To the Directors of
Sonor Investments Limited

We have examined the balance sheet and the schedule of investments of Sonor Investments Limited as at February 29, 1972 and the statements of earnings, retained earnings, capital gains and changes in net assets for the period from December 31, 1971 to February 29, 1972 and for the five years ended December 31, 1971. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements and the schedule present fairly the financial position of the company as at February 29, 1972 and the results of its operations and the changes in its net assets for the six fiscal periods then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

We have also examined the pro forma balance sheet of Sonor Investments Limited as at February 29, 1972 and, in our opinion, it presents fairly the financial position as at that date after giving effect to the transactions set forth in Note 4 to the financial statements.

Toronto, Ontario
May 12, 1972

CAMPBELL, LAWLESS & PUNCHARD
Chartered Accountants

Certificates

Dated: May 12, 1972

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder, by Part 7 of The Securities Act (Alberta) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, by Part VII of The Securities Act (Manitoba) and the regulations thereunder and by Part VII of The Securities Act (Ontario) and the regulations thereunder.

(Signed) GEORGE GARDINER
President and Chief Executive Officer

(Signed) W. J. BUSHNELL
Secretary-Treasurer and Chief Financial Officer

On behalf of the Board of Directors

(Signed) W. L. MATTHEWS
Director

(Signed) F. V. KOCLIK
Director

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder, by Part 7 of The Securities Act (Alberta) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, by Part VII of The Securities Act (Manitoba) and the regulations thereunder and by Part VII of The Securities Act (Ontario) and the regulations thereunder.

FRY MILLS SPENCE SECURITIES LIMITED

By: (Signed) W. H. A. THORBURN

Fry Mills Spence Securities Limited is a wholly-owned subsidiary of Fry Mills Spence Limited. The following are the directors, and includes the name of every person having an interest directly or indirectly to the extent of not less than 5% in the capital, of Fry Mills Spence Limited: Harold B. Boyer, C. Frank Chasney, Donald W. Clarke, A. Wilfred Howe, R. John Lawrence, Wilmot L. Matthews, Warren R. McKeown, John L. Mills, William G. Reid, G. Leigh Skene, W. Hamilton A. Thorburn, Donald J. Wilkins, Robert K. Wright.

Schedule I

Provisions Attaching to the First Preference Shares

The First Preference Shares shall have attached thereto the following preferences, rights, conditions, restrictions, limitations and prohibitions:

- (i) The holders of the First Preference Shares shall be entitled to receive and the Corporation shall pay thereon as and when declared by the board of directors of the Corporation out of the moneys of the Corporation properly applicable to the payment of dividends fixed cumulative preferential cash dividends at the rate of 8% per annum payable semi-annually on the 15th days of March and September in each year on the par value thereof; such dividends shall accrue from such date as may be determined by the board of directors prior to the issue thereof or in case no date be so determined then from the date of allotment; if on any dividend payment date the dividend payable on such date is not paid in full on all First Preference Shares then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates determined by the board of directors on which the Corporation shall have sufficient moneys properly applicable to the payment thereof; the holders of the First Preference Shares shall not be entitled to any dividends other than or in excess of the preferential cash dividends hereinbefore provided for; cheques of the Corporation payable at par at any branch in Canada of the Corporation's bankers for the time being shall be issued in respect of such dividends and payment thereof shall satisfy such dividends; such dividends shall be paid to the registered holders appearing on the registers at the close of business on a day determined by the board of directors of the Corporation, such day to be a day not more than 60 days preceding the day fixed for payment of the dividend.
- (ii) In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders by way of return of capital for the purpose of winding up its affairs, the holders of the First Preference Shares shall be entitled to receive
 - (a) the par value of such First Preference Shares, together with an amount equal to all dividends, if any, accrued thereon up to the date of distribution and then remaining unpaid, whether or not earned or declared (which dividends for such purpose, shall be calculated as if such dividends were accruing from day to day for the period from the expiration of the last period for which dividends have been paid on such First Preference Shares up to and including the date of distribution), and
 - (b) if such liquidation, dissolution, winding up or distribution shall be voluntary, an additional amount equal to the premium which would have been payable on the redemption of such First Preference Shares if they had been called for redemption by the Corporation on the date of distribution,before any amount shall be paid to or any property or assets of the Corporation distributed among the holders of the common shares or of any other shares of the Corporation ranking junior to the First Preference Shares; after payment to the holders of the First Preference Shares of the amounts so payable to them, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.
- (iii) Subject to the provisions of paragraph (vi), the Corporation may at any time or times purchase (if obtainable) for cancellation the whole or any part of the First Preference Shares on the open market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or pursuant to tenders received by the Corporation upon request for tenders addressed to all holders of record of the First Preference Shares at the lowest price at which, in the opinion of the directors, such shares are obtainable but not exceeding the price at which, at the date of purchase, such shares are redeemable, plus costs of purchase; if in response

to any request for tenders under the provisions of this paragraph (iii), more First Preference Shares are tendered at a price or prices acceptable to the Corporation than the Corporation is prepared to purchase, the Corporation will accept, to the extent required, the tenders submitted at the lowest price and then, if and to the extent required, the tenders submitted at the next progressively higher prices, and if more shares are tendered at any such price than the Corporation is prepared to purchase, the shares tendered at that price shall be purchased as nearly as possible pro rata (disregarding fractions) according to the number of First Preference Shares so tendered by each holder thereof.

Subject to the foregoing provisions of this paragraph (iii), so long as any of the First Preference Shares are outstanding the Corporation shall make all reasonable efforts to purchase for cancellation on the open market up to 4,800 First Preference Shares in each calendar year commencing with the calendar year 1973, at such time or times in each such calendar year as it in its discretion shall determine, at prices not exceeding \$5.00 per share plus an amount equal to all dividends, if any, accrued thereon up to the date of purchase and then remaining unpaid, whether or not earned or declared (which dividends, for such purpose, shall be calculated as if such dividends were accruing from day to day for the period from the expiration of the last period for which dividends have been paid, up to and including the date of purchase) plus costs of purchase; provided that to the extent that the Corporation is unable so to purchase 4,800 First Preference Shares in any such calendar year the obligation of the Corporation to purchase First Preference Shares with respect to such calendar year shall be extinguished.

- (iv) Subject to the provisions of paragraph (vi), the Corporation may, upon giving notice as hereinafter provided, redeem at any time the whole or from time to time any part of the then outstanding First Preference Shares at a redemption price of \$5.35 per share if redeemed on or before April 30, 1975, \$5.30 per share if redeemed thereafter and on or before April 30, 1978, \$5.25 per share if redeemed thereafter and on or before April 30, 1981, \$5.20 per share if redeemed thereafter and on or before April 30, 1984, \$5.15 per share if redeemed thereafter and on or before April 30, 1987, \$5.10 per share if redeemed thereafter and on or before April 30, 1990, \$5.05 per share if redeemed thereafter and on or before April 30, 1993, and \$5.00 per share if redeemed thereafter, plus in addition thereto in each case an amount equal to all dividends, if any, accrued thereon up to the date fixed for redemption and then remaining unpaid, whether or not earned or declared (which dividends, for such purpose, shall be calculated as if such dividends were accruing from day to day for the period from the expiration of the last period for which dividends have been paid, up to and including the date of redemption).
- (v) In any case of redemption of First Preference Shares under the provisions of paragraph (iv), the Corporation shall at least 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of First Preference Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such First Preference Shares; such notice shall be mailed by ordinary unregistered mail in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Corporation or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure or omission to give any such notice to one or more of such holders shall not affect the validity of such redemption; such notice shall set out the redemption price and the date on which redemption is to take place and, if part only of the First Preference Shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed; on or after the date so specified for redemption the Corporation shall pay or cause to be paid the redemption price to or to the order of the registered holders of the First Preference Shares to be redeemed on presentation and surrender at the head office of the Corporation or any other place or places within Canada designated in such notice of the certificates representing the First Preference Shares so called for redemption; such payment shall be made by cheque payable at par at any branch in Canada of the Corporation's bankers for the time being; if less than all of the First Preference Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued and delivered

to the holder of such certificate at the expense of the Corporation; from and after the date specified for redemption in any such notice, the holders of such First Preference Shares called for redemption shall cease to be entitled to dividends and such holders shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected; the Corporation shall have the right at any time after the mailing of notice of its intention to redeem any First Preference Shares as aforesaid to deposit the redemption price of the First Preference Shares so called for redemption or of such of the said shares represented by certificates as shall not at the date of such deposit have been surrendered by the holders thereof in connection with such redemption in a special account with any chartered bank in Canada named in such notice to be paid on or after the date specified for redemption without interest to or to the order of the respective holders of such First Preference Shares called for redemption upon presentation and surrender to such bank of the certificates representing the same and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the First Preference Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest the redemption price of their shares so deposited against presentation and surrender of the said certificates held by them respectively; any interest allowed on any such deposit shall belong to the Corporation. Any moneys deposited with any such chartered bank and not claimed by and paid to the holders of First Preference Shares as herein provided within six years after the date specified for redemption shall be paid to the Corporation by such chartered bank on demand and thereupon such chartered bank shall be released from all further liability with respect to such moneys and thereafter the holders of First Preference Shares in respect of which such moneys were so repaid to the Corporation shall have no rights in respect thereof except to obtain payment of the moneys due on the redemption from the Corporation.

- (vi) No dividends shall at any time be declared or paid on or set apart for payment on any shares of the Corporation ranking junior to the First Preference Shares unless all dividends up to and including the dividend payable for the last completed semi-annual period on the First Preference Shares then issued and outstanding shall have been declared and paid at the date of such declaration or payment on such shares of the Corporation ranking junior to the First Preference Shares nor shall the Corporation call for redemption or purchase for cancellation or reduce or otherwise pay off less than all of the First Preference Shares then outstanding or redeem, purchase, pay off or make any capital distribution in respect of any shares of the Corporation ranking junior to the First Preference Shares unless all dividends up to and including the dividend payable for the last completed semi-annual period on the First Preference Shares then issued and outstanding shall have been declared and paid at the date of such call for redemption, purchase, reduction or other payment off.
- (vii) The holders of the First Preference Shares shall not be entitled as of right to subscribe for or purchase or receive any part of any issue of any shares or of any bonds, debentures or other securities of the Corporation now or hereafter authorized.
- (viii) Subject to the provisions of paragraph (x), the holders of the First Preference Shares shall be entitled to receive notice of and to attend all meetings of shareholders and to have one vote thereat in respect of each First Preference Share then held by them respectively.
- (ix) So long as any of the First Preference Shares are outstanding, the Corporation shall not, without the prior approval of the holders of the First Preference Shares given as hereinafter specified:
 - (a) issue any shares ranking as to payment of dividends or repayment of capital in priority to or *pari passu* with the First Preference Shares;
 - (b) permit the aggregate market value of the Qualified Investments of the Corporation, after deducting from such aggregate market value the greater of

- (aa) the aggregate market value of the Qualified Investments of the Corporation which are the subject of any mortgage, pledge or charge (other than a floating charge), or the sale of which is restricted by reason of a representation, undertaking or agreement by the Corporation or by a predecessor in title of the Corporation; and
- (bb) the amount of all indebtedness of the Corporation including all indebtedness of any partnership in which the Corporation is a partner plus the amount of all indebtedness guaranteed by the Corporation and not taken into account as indebtedness of the Corporation as aforesaid

at any time to be less than five times the aggregate of the par value of the First Preference Shares then outstanding; provided that there shall not be included in the aggregate market value of the Qualified Investments of the Corporation that portion of the market value of any securities of any one corporation (other than common shares of Scott's Restaurants Co. Limited or Bell Canada or any successor corporation of either of them by amalgamation, merger or similar reorganization, and other than securities issued or guaranteed by the Government of Canada or the United States or any province of Canada and other than bank deposits) which exceeds 10% of the aggregate market value of the Qualified Investments of the Corporation; and

- (c) declare or pay any dividends on any shares of the Corporation at any time outstanding other than the First Preference Shares or redeem, purchase, pay off or make any capital distribution in respect of any shares of the Corporation at any time outstanding other than the First Preference Shares if after giving effect thereto the aggregate amount declared and paid as dividends on all shares of the Corporation subsequent to December 31, 1971 plus the aggregate amount distributed or paid subsequent to December 31, 1971 in connection with the redemption, purchase, paying off or other capital distribution in respect of all shares other than the First Preference Shares would exceed the aggregate of (aa) the Cash Income Available for Distribution of the Corporation earned subsequent to December 31, 1971, plus \$575,000 representing the amounts recorded on the books of the Corporation with respect to securities written off or sold between January 1, 1972 and February 29, 1972, and (bb) the consideration received by the Corporation subsequent to December 31, 1971 from the issuance of shares other than the First Preference Shares.

For the purpose of paragraph (ix):

"Cash Income Available for Distribution" means for any period the total operating and non-operating revenues of the Corporation for that period together with the net profits or losses on the disposal of capital assets, securities or other investments after all applicable charges and expenses, including depreciation and taxes, all as determined in accordance with generally accepted accounting principles applied on a consistent basis by the Corporation and approved by the duly appointed auditors of the Corporation, and such determination shall be conclusive and binding upon the Corporation and the holders of the First Preference Shares.

"Qualified Investments of the Corporation" means:

- (i) common shares of Scott's Restaurants Co. Limited (or any successor corporation thereof by amalgamation, merger or similar reorganization) to the extent of $\frac{2}{3}$ of the market value thereof; and
- (ii) any security (including common shares of Scott's Restaurants Co. Limited) which:
 - (a) is an investment in which, as of March 1, 1972, the Canadian and British Insurance Companies Act stated that a company registered under Part III thereof may, without availing itself of the provisions of subsection (4) of Section 63 of the said Act, invest its funds; and

- (b) in the case of shares of a corporation, is listed on a recognized stock exchange in Canada or the United States; and
 - (c) in the case of common shares of a corporation, on which there have been paid dividends in each of the last five years preceding the date of the investment;
- (x) If at any time the Corporation shall fail to pay a dividend on the First Preference Shares on the date on which the same shall be paid according to the terms hereof whether or not such dividend has been declared and whether or not there are any moneys of the Corporation properly available for the payment of such dividend or the Corporation fails to observe any of the provisions of paragraphs (vi) and (ix) and, after notice in writing signed by the holders of not less than 2% of the First Preference Shares then outstanding has been given to the Corporation specifying such failure and requiring the Corporation to remedy the same, the Corporation shall fail to remedy such failure within a period of 45 days, unless the notice to the Corporation specifying such failure (having regard to the subject matter of such failure) shall have specified a longer period, and in such event, within the period so specified then the holders of the First Preference Shares, voting separately as a class, shall be entitled to elect a simple majority of the directors of the Corporation, that is to say, that number which is equal to the authorized number of directors divided by two plus one, disregarding fractions.

Nothing herein or in paragraph (viii) contained shall be deemed to limit the right of the Corporation from time to time to increase or decrease the number of its directors; notwithstanding anything contained in the by-laws of the Corporation, all directors of the Corporation in office at the time when the right to elect a simple majority of the directors shall accrue to the holders of the First Preference Shares or who may become directors thereafter and prior to a meeting of shareholders hereinafter referred to, shall retire at the next annual meeting of shareholders or at an earlier general meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right; any such general meeting of shareholders may be held upon not less than 21 days' written notice and shall be called by the secretary of the Corporation upon written request of the holders of record of not less than 10% of the outstanding First Preference Shares and, in default of the calling of such general meeting by the secretary within five days after the making of such request, it may be called by any holder of record of First Preference Shares; any vacancy occurring among members of the board of directors elected to represent the holders of First Preference Shares in accordance with the foregoing provisions and the provisions of paragraph (viii) may be filled by the board with the consent and approval of the remaining director or directors elected in accordance with the foregoing provisions to represent the holders of the First Preference Shares, but if there be no such remaining director or directors the board may elect a holder or holders of First Preference Shares to fill the vacancy or vacancies; the holders of record of not less than 20% of the outstanding First Preference Shares shall have the right to require the secretary of the Corporation to call a meeting of the holders of the First Preference Shares for the purpose of filling such vacancy or vacancies not filled by the board or for the purpose of replacing one or more of the persons elected by the board to fill such vacancy or vacancies and the foregoing provisions of this paragraph shall apply in respect of the calling of such meeting.

- (xi) The provisions of paragraphs (i) to (x) inclusive, of this paragraph (xi) and of paragraph (xii) or any of them may be deleted, varied, modified, amended or amplified but only with the prior approval of the holders of the First Preference Shares given as hereinafter specified.
- (xii) The approval of the holders of the First Preference Shares as to any and all matters referred to herein may be given by at least two-thirds of the votes cast at a meeting of the holders of the First Preference Shares duly called for that purpose and held upon at least 21 days' notice at which the holders of at least a majority of the outstanding First Preference Shares are present or represented by proxy; if at any such meeting the holders of a majority of the outstanding First Preference Shares are not present or represented by proxy within one-half hour after the time appointed for

such meeting, then the meeting shall be adjourned to such date being not less than 21 days later and to such time and place as may be appointed by the Chairman and not less than 15 days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called; at such adjourned meeting the holders of First Preference Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by at least two-thirds of the votes cast at such adjourned meeting shall constitute the approval of the holders of the First Preference Shares referred to above; except as herein otherwise provided, the formalities to be observed in respect of the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders; on every poll taken at every such meeting or adjourned meeting every holder of First Preference Shares shall be entitled to one vote in respect of each First Preference Share held.

15.

TRANSFER FEE

No fee is chargeable on the transfer of the First Preference Shares other than security transfer tax.

16.

AUDITORS

The auditors of the Company are Messrs. Campbell, Lawless & Punchard, 8 King Street East, Toronto, Ontario.

17.

DIRECTORS AND OFFICERS

Reference is made to the heading "Directors and Officers" on page 7 of the Prospectus.

CERTIFICATE

Pursuant to a resolution duly passed by its board of directors, Sonor Investments Limited hereby applies for listing of the above-mentioned First Preference Shares on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



by

SONOR INVESTMENTS LIMITED

"GEORGE GARDINER",
Chairman of the Board and President

"W. J. BUSHNELL",
Secretary-Treasurer

CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

FRY MILLS SPENCE SECURITIES LIMITED

By

"W. H. A. THORBURN"

DISTRIBUTION OF 8% FIRST PREFERENCE STOCK AS OF JUNE 19, 1972.

Number		Shares
Nil	 Holders of 1 — 24 share lots	Nil
2	 " " 25 — 99 " "	100
79	 " " 100 — 199 " "	7,900
120	 " " 200 — 299 " "	24,250
30	 " " 300 — 399 " "	9,100
56	 " " 400 — 499 " "	22,650
143	 " " 500 — 999 " "	76,700
45	 " " 1000 — up " "	99,300
<u>475</u>	Shareholders	<u>Total shares 240,000</u>

